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## Chapter 12 – SuperCard Purchase/Travel Program

### 12.1 Program Summary

The State of Delaware through DOA has contracted with JPMorgan Chase (JPMC) Bank to provide state agencies with a VISA card program for procurement and/or travel purchases with a total state spending limit of \$25 million per cycle. This program is called the SuperCard Program; one card operating with both purchasing and/or travel options. JPMC's online card administration software (PaymentNet) allows the management of the SuperCard program via the Internet at the state level.

The State of Delaware is liable for the use of the SuperCard. Only state employees are eligible for participation in the SuperCard program. State employees are defined as individuals who receive a paycheck through the PHRST system, and who are paid directly by state agencies.

State employees, with appropriate approvals from their agency, can obtain a card without a personal credit history check. Employees can enroll by completing one form, and transactions can be made with one card number, allowing for better control.

For more detailed information on SuperCard procedures, agencies should contact DOA, DOF.

#### 12.1.1 Advantages of the SuperCard Program

- a. For General Purposes, the Card provides:
  1. A reduction in the number of checks issued, resulting in significant time and cost efficiencies.
  2. Card management via the Internet in real time.
    - Employee, coordinators, and managers can view updated employee card information.
    - Coordinators and managers have access to numerous reports.
  3. Simplification of the reconciliation process.
  4. Faster payment to merchants.
  5. Zero liability for lost and stolen cards (with timely bank notification).

6. The Visa Liability Waiver Program protects against eligible losses that might be incurred through card misuse – charges may be:
  - Billed up to 75 days before notification of termination,
  - Incurred but unbilled as a notification of termination, and
  - Incurred up to 14 days after notification of termination.
- b. For travel, the card provides:
  1. Secure trip registrations, lodging, and avoidance of possible late charges.
  2. Pre-trip assistance with information such as Automatic Teller Machine (ATM) locations, weather reports, and health precautions.
  3. Ease and convenience of use during travel.
  4. A reduction in the need for travel advance.
  5. Traveler benefits include:
    - Primary coverage auto rental insurance.
    - Travel and Emergency Assistance Services.
    - Travel Accident Insurance – The **cardholder** is automatically insured against accidental loss of life, limb, sight, speech, or hearing while riding as a passenger in, entering, or exiting any licensed common carrier.
    - Baggage insurance – The **cardholder** is automatically insured.
  6. A process for streamlining employee reconciliation and reimbursement (one card, one billing statement).
- c. For purchasing, the card provides:
  1. Timely payment at point of sale of goods and services.
  2. Reduction of internal paper flow (less invoices received, and less payment vouchers issued).
  3. Enhanced efficiencies including billing, payment, and ex-post procurement audit activities.

4. Rebate eligibility for timely payment.
5. Improved cash management practices.

### 12.1.2 General Usage

- a. General – Regardless of the reason or type of purchase, all SuperCard receipts must be kept for reconciliation purposes.
- b. Travel – See Chapter 13. Statewide Travel Policy
  1. The SuperCard should be used for all common carriers (airlines, rail, or bus), car rental, lodging tax, and for any authorized miscellaneous expenses.
  2. For meals (food, beverage, tax, and tips) and incidental expenses:
    - If using the Actual Expense Method of Reimbursement – Use the SuperCard for meals.
    - If using the Per Diem Method of Reimbursement (fixed reimbursement amount per day), employees may use the card. However, **any SuperCard charges will need to be subtracted from the Per Diem rate.**
  3. The SuperCard may be used for **out-of-state** gasoline purchases, if the traveler is in a location where the Fleet Services fuel access card cannot be used.
  4. The SuperCard may be used for obtaining cash from ATMs using a Personal Identification Number (PIN), with agency approval. **Cash withdrawals from within a Financial Institution are prohibited, except for international travel and must be added to the card profile for access.**
  5. The SuperCard may be used to pay for meals for several employees while traveling within the same agency.
  6. The SuperCard has no Single Transaction Limit (STL) for travel related expenses. The STL is the maximum dollar limit for a single transaction.

- c. Purchases – The SuperCard enhances payment options, reduces administrative costs, and assists the State in negotiating better prices for goods and services. All SuperCard transactions must comply with accounting procedures and state laws governing purchases.
  1. Purchases of \$5,000 or less
    - The SuperCard can be used as Direct Payment for all fund types.
    - The SuperCard generally has a Single Transaction Limit of \$5,000 for purchases, but an “Open” Profile with no STL is available when requested and authorized by the agency.
  2. Purchase over \$5,000
    - The SuperCard must be set to an “Open” Profile for these purchases (no STL).
    - All current procurement and accounting procedures remain in effect for purchases over \$5,000. Funds must be encumbered, and purchase orders are required for all general fund purchases.
    - Purchases utilizing federal and local school funds over \$5,000 can be made with the SuperCard, without encumbering funds on a purchase order.

### **12.1.3 Who Should Have a SuperCard?**

SuperCards may only be issued to state employees. The evidence of a PHRST 6-digit Employee ID is required and is audited during Enrollment. Agencies can request cards for those individuals who have a reasonable need (i.e. individuals who travel on official state business, and/or individuals who make official state purchases).

The number of individuals who make official purchases should be kept to a minimum as dictated by agency requirements and in accordance with each agency’s internal control policy. Segregation of duties standards for SuperCard usage must be strictly enforced.

## **12.2 SuperCard Administration**

The SuperCard is administered and maintained by the use of PaymentNet, a web-based application that provides on-line, real-time card administration.

PaymentNet provides control over SuperCard spending. With PaymentNet, DOA, under the guidance of the agency, can control the funds available on a card, the amount that can be spent in a single transaction, or in a single day, and the types of merchants where individual employees can purchase goods and/or services. These controls enable the agency to greatly reduce liability, while providing employees the spending power they require.

Because transaction information is posted to the State's financial management and accounting system daily, transactions can be quickly reconciled as the receipts and invoices are presented, rather than waiting until the end of the billing cycle.

### **12.2.1 Steps for Enrollment**

- a. Agencies may enroll in the SuperCard Program by contacting the State SuperCard Administrator in DOA.
- b. To designate the agency PaymentNet Coordinator, Back-up Coordinator, and FSF Coordinator, the State of Delaware SuperCard Enrollment Request form (Exhibit D), provided by DOA, must be completed for each individual and signed by the agency's Business Manager, or other designated approving official.
- c. DOA reviews the Internal Controls procedures and, when approved, signs and dates the approved document. A copy is returned to the agency.

### **12.2.2 SuperCard Program Management**

- a. The State of Delaware SuperCard Enrollment Request form is administered by DOA to promote accountability and to ensure adherence to policies and procedures. The signed SuperCard Request forms are subject to review and must be kept on file for 25 months after completion and entry into PaymentNet. Agencies may hold these forms on site or contact Delaware Public Archives for long-term storage requirements. This form is available with the other FSF forms at the following link:  
[http://extranet.fsf.state.de.us/service\\_desk\\_forms.shtml](http://extranet.fsf.state.de.us/service_desk_forms.shtml).
- b. Cardholders are assigned to profiles in PaymentNet. Profile types may be assigned at the discretion of the agency's PaymentNet Coordinator.
- c. **Agencies must review quarterly (at a minimum).** The review is documented and signed by the PaymentNet Coordinator or the Back-up Coordinator.

### 12.2.3 Reports

- a. The PaymentNet Internet site ([www6.paymentnet.com](http://www6.paymentnet.com)) offers secure reporting to cardholders and their managers. The use of the site is highly recommended and is a valuable Internal Controls tool.
- b. A printed Commercial Card Statement reflecting all cardholder transactions is furnished on a monthly basis to the cardholder's agency. Cardholders may view and download their personal Commercial Card Statement (with system access granted by the agency).
- c. Managers may view and download a variety of merchant, cardholder, transaction, and administration reports to monitor and analyze program participation. The following are examples of how the standard reports can assist the user:
  1. Transaction Reporting:
    - **Transaction Detail with Account Codes and Notes** lists all transactions by cardholder, including merchant name, transaction and post dates, transaction amount, and transaction notes.
    - **Transaction Detail** reporting provides detailed transaction information delineated by each cardholder. It is used to reconcile accounts at the end of an accounting period.
  2. Cardholder/Account Information Reports:
    - **Cardholder Listing by Hierarchy** is used to monitor the number and status of accounts in each cost center.
    - **Available Limit by Low Available Balance** is used to monitor cardholders nearing available credit limits and to determine if credit lines are sufficient.
    - **Cardholder Status Report** is used to identify account limits and account status (i.e., Closed, Not Activated, Active, etc.)
  3. Administration Reports:
    - **Unusual Activity Analysis** enables SuperCard Administrators to monitor unusual transaction activity and to determine if the transactions are business-related.

4. Merchant Reports:

- **Summary Quarterly Vendor Analysis** summarizes the total number of transactions and dollar amounts spent per quarter with each merchant, and subtotals are provided for each merchant category.
- **Merchant Ranking** identifies the merchants where the accounts are being used and the dollar amounts spent per merchant and can be used for negotiations.
- **Transaction Detail by Merchant** lists transactions and amounts spent per merchant.

Ad hoc reporting is available for all users with virtually no lead time. These online demand reports may be saved within the user's own separate login and may be run at any time. PaymentNet Coordinators may limit access to reports based on cardholders' security privileges.

## 12.3 Authorized Credit Card Use

### 12.3.1 Cardholder Responsibilities

- a. The SuperCard is embossed with the cardholder's name and must **only** be used by the cardholder. The cardholder is responsible for all charges to the card. No other person is authorized to use the card, except in an emergency situation, for example, if a cardholder has someone else making travel arrangements or plans and booking airline tickets, rental car, or hotel stays. Agencies should refer to **Chapter 13 – Statewide Travel Policy** for more information regarding combining expenses on a SuperCard.
  1. Travel and hotel reservations **MUST** be booked on the traveler's card. Insurance coverage on VISA for traveling **ONLY** applies to the cardholder. If luggage is lost, stolen, or misplaced, the traveler is responsible for all liability. The traveler is also responsible for tickets, if they were charged against someone else's card account.
  2. All items purchased "in person, over the counter" must be immediately available at time of credit card use. The SuperCard shall not be charged for merchandise that must be back ordered for later delivery.



3. Agencies must monitor the dollar value, the number of transactions, and all other card activity on a regular basis.
4. Spending limits established for an individual SuperCard must be adhered to by the Cardholder.
- b. The SuperCard may be used only by authorized state employees and must not be used for personal or unauthorized purposes, including:
  1. Personal identification.
  2. To purchase alcoholic beverages or any substance, material, or service in violation of policy, law, or regulation per the Delaware Code or Accounting Procedures.
  3. Meals, travel, entertainment within the State of Delaware, or any expense not authorized for State business.

**Note: The SuperCard may not be used to charge expenses for family members or others who may be accompanying the employee on official state business, even if the intention is to reimburse the State. Failure to adhere to this policy may result in disciplinary action and/or dismissal.**

4. Cash advances not for state business.
5. Personal telephone calls/monthly service.
6. Use of card or card number by someone other than the cardholder, except in emergencies as described above, or in **Chapter 13 – Statewide Travel Policy**.
7. Splitting of a purchase into multiple charges under \$5,000 to circumvent the limitations of the State Procurement Code.
8. Combining charges from several cards to circumvent the purchase limit assigned to either cardholders or limitations of the Delaware Code, State Accounting Policy, or an agency's requirements.
- c. A cardholder who intentionally makes unauthorized purchases or accidentally (carelessly) uses the SuperCard is liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by JPMC Bank in connection with the misuse. The cardholder is also subject to disciplinary action (including dismissal) and possible criminal action for intentionally making unauthorized purchases.

### 12.3.2 Agency Responsibilities

- a. Agencies may place more stringent restrictions on card use.
- b. Agencies must submit Change Requests by 2:00 PM daily to allow for real-time impact on card maintenance.
- c. Disputed transactions must be submitted to Central Accounting for processing.
- d. Billing statement transactions must be reconciled in a timely manner, so as not to invoke the Escalation process.
- e. Receipts, logs, and invoices must be maintained for audit purposes.

## 12.4 Record Keeping and Billing

### 12.4.1 Cardholder Responsibilities

- a. Whenever a credit card transaction is made, either over the counter or by telephone, documentation must be retained as proof of purchase (e.g. receipts or packing slips) and provided within seven days to the agency's Reconciler. For travel, Budget and Accounting Policy requires a State of Delaware Personal Expense Reimbursement Form to **"be submitted to the appropriate agency authority within seven work days after the completion of travel"** along with any required receipts. This action is required in order to document the expenses of the trip, even if no money is owed to the employee.

**NOTE: Federal Tax Regulations specify that if an individual does not provide receipts within 120 days of an expense, the expense must be treated as income for the employee and taxed.**

- b. At the end of each billing cycle, a monthly Commercial Card Statement of Account is sent to each cardholder by JPMC Bank. Itemized receipts should be attached to the monthly bill and kept until an internal audit is completed.

### 12.4.2 Billing

- a. JPMC Bank submits a monthly billing invoice the day after the close of the billing cycle (the Statement Date) into the State's financial management and accounting system for payment of all charges made against the SuperCards. DOA pays the JPMC Bank statement within five calendar days from the Statement Date.
- b. State agencies process SuperCard transactions daily in FSF to reimburse DOA for funds used to pay JPMC Bank.
- c. Each transaction made on a SuperCard requires the assignment of a chartfield string or the designation to a specific purchase order and category code.
- d. Agencies are required to reconcile and approve the daily transactions in the State's financial management system against the Cardholder receipts, within 30 days of each billing date.
- e. Agencies may need or choose to set aside funds through the use of purchase orders to encumber the charges reflected in the State's financial management and accounting system. PO numbers for purchases exceeding \$5,000 are required for transactional details within the State's financial management and accounting system. When using the purchase order details, all the chartfield requirements and category codes default into the specified fields.
- f. DOA monitors the billing process to ensure timely compliance, using an escalation process. However, if agencies do not comply with timely payment and reconciliation of SuperCard transactions in the State's financial management and accounting system, then card usage may be revoked.

### 12.4.3 Escalation Timeline

PURPOSE: DOA pays the JPMC Bank Statement within five calendar days of the Statement End Date. State agencies process SuperCard transactions in the State's accounting system to reimburse DOA for funds used to pay JPMC Bank. Agencies are required to reconcile and approve the SuperCard transactions with the cardholder receipts/invoices/packing slips or logs within 30 days of each billing end date.

DOA closely monitors the billing process and the SuperCard transactions to ensure timely compliance, using an escalation process. The responsibility is as follows:

### ESCALATION TIMELINE

Days from end of monthly billing cycle				
0	5	10	15	30
				35
				40
DUE DATE				
Proactive Call/email From DOA	DOA	Enlist AID of Deputy Director	Enlist AID of DIRECTOR	Secretary of Finance

## 12.5 Disputed Transactions

If items purchased by the SuperCard are found to be faulty or in error, the cardholder is responsible for attempting to resolve the issue with the merchant as soon as possible. If the merchant has not replaced or corrected the item by the date the cardholder receives the transaction in the State's financial management and accounting system, the purchase of that item will be in dispute. Cardholders should contact their PaymentNet Coordinator for assistance in resolving disputed items with the merchant.

### 12.5.1 Cardholder Responsibilities

- a. Cardholders can dispute any charges in question. In most cases, merchants are responsible for fraudulent purchases and should be the first point of contact for resolution.
- b. If a particular transaction is disputed, the employee has 60 days from the end of the billing cycle to notify JPMC, and JPMC will assist the employee in attempting to obtain reimbursement from the merchant.

**Note:** Notification through the Change Request form to DOA is required for all billing errors and disputed items. A phone call alone will not preserve a cardholder's rights.

- c. Merchants are required to comply with Visa regulations and may be subject to charge-backs for noncompliance.

### 12.5.2 Coordinator/Reconciler Responsibilities

- a. If a disputed transaction is not resolved with the merchant, the disputed item must be reported to DOA on the Change Request form, and the transaction is “flagged” as disputed in FSF.
- b. The Agency’s Reconcilers ensure transactions are reconciled, and disputes and credits are handled in a timely manner.

### 12.5.3 Division of Accounting Responsibilities

- a. DOA submits a Change Request for the disputed items into PaymentNet and populates the necessary information regarding the dispute. The dispute notification is automatically emailed to the JPMC dispute resolution department.

**NOTE:** Notification by DOA on a Change Request form is required for all billing errors and disputed items. A phone call or adjusting the transaction in the State’s financial management and accounting system alone will not preserve a cardholder’s rights.

- b. DOA verifies the dispute and accompanying credit are received for reconciliation and audit purposes.
- c. DOA monitors the progress of the disputed item(s) until resolved.
- d. DOA reports and escalates any disputed items greater than 100 days old for a formal dispute process via JPMC.
- e. DOA assists agencies to resolve the disputed item in a timely manner, as needed.

## 12.6 Card Security

### 12.6.1 Cardholder Responsibilities

The cardholder must:

- a. Safeguard the SuperCard and account number.
- b. Ensure the card is **only** for legitimate business purposes.
- c. Maintain the card in a secure location at all times.

- d. Adhere to the purchase limits and restrictions of the card.
- e. Obtain all sales slips, register receipts, purchasing card slips, and/or packing slips and provide the same to the agency PCard Reconciler **within seven (7) business days of the transaction or completion of travel.**
- f. Not accept payment by cash or check for returned items in lieu of a credit transaction to the SuperCard account.
- g. Not allow anyone other than the Cardholder to use the SuperCard, the account number, and/or the PIN, except as noted under “Authorized Credit Card Use” in Section C, above.

**Note: Unauthorized use of the card may result in the withdrawal of the card, disciplinary action, and/or dismissal.**

## **12.6.2 Agency Responsibilities**

Agencies must:

- a. Appoint and monitor activities of all SuperCard personnel.
- b. Actively develop and follow Internal Controls procedures.
- c. Keep cards secure. Any cards not used on a frequent basis should be categorized with a “Null” Profile in PaymentNet, until needed.
- d. Monitor activity, reconcile, approve, and allocate transactions for the agency’s individual cardholders.
- e. Reconcile card activity on a regular basis and in a timely manner.

**Note: If no activity occurs over 18 consecutive months, JPMC purges the card account from their system, and the card account is closed in PaymentNet.**

### **12.6.3 Lost or Stolen Cards**

In the event of a lost or stolen card:

- a. The Cardholder must immediately notify JPMC Bank at 1-800-270-7760, and advise the representative that the call pertains to a State of Delaware Visa Purchasing Card. JPMC Bank will immediately deactivate the card. Bank representatives are available 24 hours a day, 7 days a week.
- b. The cardholder must notify the agency PaymentNet Coordinator, Back-up Coordinator, or other approving official immediately during business hours or as soon as practical during non-business hours.

JPMC automatically issues a replacement card, which is delivered for pick-up within five to seven business days.

- c. A previously reported lost card that is subsequently found must be returned to the agency PaymentNet Coordinator, who will document and destroy the card.

### **12.6.4 Cardholder Separation/Transfer**

- a. Employees separating from state employment must surrender the SuperCard and all receipts to the agency's appropriate SuperCard personnel, or other approving official prior to separation from state employment. Upon notification of employee separation, the agency SuperCard personnel must issue a Change Request form to DOA. DOA immediately closes the card account.
- b. Employees transferring to another state agency, including transfers to a different section (Internal Program Unit) within an agency, must have their account closed, their log-on deactivated, and the card collected and destroyed. The gaining agency will request a new card, if needed. This process allows cards to be uniquely identifiable to the employee and the agency, and allows the billing statement and the State's financial management and accounting system to properly reflect the purchasing activities of each agency, proxies, and default distribution.

## 12.7 Cash Withdrawals

### 12.7.1 Agency Policy Requirements

Agency internal policy must address the use of ATMs. The state accounting policy states the SuperCard should be used for travel-related purchases, whenever possible. The use of ATMs for cash is optional for agencies, and employees should verify the agency allows this option before attempting a withdrawal.

SuperCard ATM Usage should be restricted to individuals who need cash for:

- a. Emergencies; or
- b. Travel purposes.

### 12.7.2 ATM Cash Advances

If agency policy permits and approval has been granted, the agency's appropriate SuperCard personnel may request a Personal Identification Number (PIN) on behalf of a cardholder by contacting JPMC at 1-800-270-7760. Employees should contact the agency's appropriate SuperCard personnel for detailed instructions for obtaining a PIN. The PIN will allow the cardholder to use ATMs to access cash.

Banks have different policies pertaining to ATM withdrawals and withdrawal restrictions may vary by ATM, within a particular bank, as well as among various banks. All travelers utilizing ATMs should be advised of these restrictions.

### 12.7.3 Bank Teller Cash Advances

Cash withdrawal from within financial institutions **is not allowed**. The SuperCard may not be used for this purpose. If employees are traveling internationally, the card needs to reflect the specific type of transaction. Employees should contact their state accountant with any questions.

### 12.7.4 Cash Advance Fees

Cash withdrawals incur a service fee of 2.5 percent of the withdrawal amount (Minimum fee is \$2.50.) This fee appears on the monthly billing statement and is payable from agency funds.